

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 04-06
)	
LYON ASSOCIATES, INC. and)	
Frank E. Lyon, Jr.)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around November 2003, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Lyon Associates Incorporated and Frank E. Lyon, Jr. ("Lyon"). Business Registration Division records lists Lyon's purpose as to provide engineering consulting, whose business address is 841 Bishop Street, Suite 2006, Honolulu, Hawaii. Officers listed are Frank E. Lyon, President, F. James Lyon, Vice President/Secretary/Treasurer and Kenneth M. Rappolt, Vice President. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Lyon and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondents pursuant to section 11-216(g),
HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around November 2003, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Jeremy Harris campaign committee ("Harris") and the Ben Cayetano campaign committee ("Cayetano"), initiated an investigation involving excess contributions in violation of particular campaign finance statutes.
 - 2. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.

3. Section 11-204(h), HRS reads in part as follows: an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
4. The Commission finds that on or about June 1999, Lyon Associates, Inc. made a contribution to Harris in the amount of \$4,000.
5. The Commission finds that on or about September 1997, Frank James Lyon made a contribution to Harris in the amount of \$4,000.
6. The Commission finds that Lyon made an excess contribution to the Harris campaign committee.
7. The Commission finds that on or about May 1997, Lyon Associates made a contribution to Cayetano in the amount of \$6,000.
8. The Commission finds that on or about May 1997, Frank James Lyon made a contribution to Cayetano in the amount of \$5,800.
9. The Commission finds that in 1998 Lyon voluntarily brought to the Commission's attention an excess contribution of \$5,800 to the Cayetano committee, which was escheated to the Hawaii election campaign fund.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #04-06, Lyon understands and agrees to the following:

(A) Lyon agrees to an assessment of **Five Hundred Dollars (\$500)** pursuant to section 11-228, HRS.

(1) For violation of section 11-204(a)(1)(C), HRS, making an excess campaign contribution to the Harris campaign committee.

(B) Lyon agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.

(C) Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

X. This Agreement constitutes the entire agreement between the Commission and Lyon on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.

XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

CA 04-06
Lyon Associates, Inc. and
Frank E. Lyon, Jr.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Frank E. Lyon, Jr.

By: _____

(Name)

(Title)

Date: _____